

**13-14a-5 Notice or consent required before changing terms of retailing agreement --  
Limitations on pledge of personal assets -- Cancellation of retailing agreement.**

- (1) Each manufacturer, wholesaler, financing subsidiary or division of the manufacturer, or any independent lender shall give the dealer prior written notice and obtain the dealer's consent before:
  - (a) changing either the time or manner of payment;
  - (b) making any changes in notes or security;
  - (c) adding or releasing guarantors; or
  - (d) granting extensions or renewals in payment schedules on any contract that is executed by the dealer in behalf of and in the name of any third purchaser of goods or services in which the dealer is obligated to assume contingent liability for the repurchase of that contract upon default by that third party.
- (2) A person who signs a security agreement or guarantee agreement with a manufacturer or wholesaler may not be required to pledge or encumber his personal assets in a value in excess of the amount of the indebtedness secured.
- (3) If any manufacturer or wholesaler fails to give notice or obtain consent under Subsection (1), or fails to comply with Subsection (2), the guarantee or security agreement affected is considered cancelled and terminated.

Enacted by Chapter 63, 1989 General Session